since October 18, 1994. The interest rates are determined by the banks themselves with the approval of their respective Board of directors. For credit limits up to Rs. 2 lakh, banks have been allowed to charge the interest not exceeding the Benchmark Prime Lending Rate (BPLR). In order to enhance transparency in banks' pricing of their loan products, banks have been advised to fix their BPLR after taking into account; (i) actual cost of funds, (ii) operating expenses and (iii) a minimum margin to cover regulatory requirement of provisioning/capital charge and profit margin and ensure that the BPLR truly reflects the actual cost. Banks have also been allowed to freely price their loan products below and above BPLR and offer floating rate products by using market benchmarks in a transparent manner.

The RBI has also given full freedom to Financial Institutions to decide the rate of interest to be charged by them from the borrowers on the loans extended. The movement of lending rates of financial institutions has also been influenced primarily by major factors such as, the cost of funds to the institutions, operating expenses, overall movement in interest rates and a minimum margin to cover regulatory requirement of provisioning/ capital charge and profit margin.

(c) and (d) RBI has also given freedom to Commercial Banks from Octoebr 22, 1997 to fix their own interest rates on domestic term deposits of various maturities with the prior approval of their respective Board of Directors. The interest rate on saving deposits, however, continues to be regulated by the RBI and is currently fixed at 3.5 per cent per annum.

The interest rates relating to small savings continue to be administered by the Government of India. The Expert Committee of RBI, to review the System of Administered Interest Rates and Other Related Issues, 2001, noted that the interest rates on small saving schemes in general, had been kept typically above the commercial bank deposit rates of similar maturity.

Visit of Asian Development Bank

128. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pelased to state:

(a) whether the Asian Development Bank delegation had visited the country and reviewed and progress of works supported by the bank recently

(b) if so, the details thereof;

(c) whether the Asian Development Bank also assured help in up keeping monuments in the country;

(d) if so, the decisions taken in this regard; and

(e) the help so far received for this purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Asian Development Bank maintains a full time presence in India through its India Resident Mission (INRM) and in addition ADB missions and delegations frequently visit India to prepare new loan proposals and to monitor onging projects. Government of India and INRM hold Tripartite Review Meetings to review progress of works on ADB loans and are attended by ADB staff and Executing Agencies.

(c) No, Sir.

(d) and (e) Do not arise.

Buying of immovable properties by NRIs

129. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether foreign nationals, NRIs, PIOs are entitled to buy immovable properties in India;

(b) if so, under what conditions foreigners, NRIs and PIOs can buy immovable properties in India;

(c) the number of such individuals, who have purchased immovable properties, State-wise;

(d) whether cases of contravention of law have been detected in this regard; and

(e) the details of action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A person resident outside India who is a citizen of India (NRI) can acquire by way of purchase any immovable propery in India other than agricultural land/plantation/farm house. A person resident outside India who is a person of India Origin (PIO) can also acquire any immovable property in India other than agricultural land/farm house/